DOCUMENT RESUME

ED 457 254 UD 034 391

TITLE	The Other Gap: Poor Students Receive Fewer Dollars. Education Trust Data Bulletin.
INSTITUTION	Education Trust, Washington, DC.
PUB DATE	2001-03-06
NOTE	5p.; Analysis by Greg F. Orlofsky based on 1996-97 U.S. Department of Education and U.S. Census Bureau data.
AVAILABLE FROM	Education Trust, Inc., 1725 K St., NW, Suite 200, Washington, DC 20006. Tel: 202-293-1217; Web site: http://www.edtrust.org.
PUB TYPE	Reports - Research (143)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*Educational Equity (Finance); *Educational Finance; Elementary Secondary Education; Expenditure per Student; *Financial Support; *Poverty; School District Wealth; School Districts

ABSTRACT

This analysis compares districts that educate the highest percentages of poor students with districts that educate the lowest percentages of poor students (it does not analyze the District of Columbia or Hawaii because each is served by a single school district). The study analyzed a specially constructed database containing demographic and finance data for over 15,000 school districts in 1996-97. Each district's purchasing power per student was calculated based on how much money it received from state and local taxes. In each state, the quarter of districts with the highest child poverty rates was compared with the quarter that had the lowest child poverty rates. Only 7 of 49 states had no funding gap. In 42 states, school districts with the most poor students had less money to spend per student than districts with the fewest poor students. The gaps have real consequences for the quality of education that low-income children received. For example, in North Dakota, which has the smallest gap, the $32-per-student difference translates into $12,800 for an elementary school of 400 students. In New York state, the $2,794-per-student gap translates into $1,117,600 for a 400-student elementary school. (SM)

Reproductions supplied by EDRS are the best that can be made
from the original document.

ED 457 254

THE OTHER GAP: POOR STUDENTS RECEIVE FEWER DOLLARS
EDUCATION TRUST DATA BULLETIN

The Education Trust
March 6, 2001

P. Barth
The Education Trust

1

U.S. DEPARTMENT OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☐ This document has been reproduced as received from the person or organization originating it.
✓ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

UD034391

BEST COPY AVAILABLE

UD

The Education Trust

Education Trust Data Bulletin

March 6, 2001

THE OTHER GAP: POOR STUDENTS RECEIVE FEWER DOLLARS

A new Education Trust analysis of state and local education dollars reveals substantial funding inequities in most states. In 42 out of 49 states studied—86 percent—school districts with the greatest numbers of poor children have less money to spend per student than districts with the fewest poor children.

Most school finance studies have compared the highest-spending districts to the lowest-spending districts without regard to the percentage of students in those districts who are poor. This analysis breaks new ground by comparing districts that educate the highest percentages of poor children with districts that educate the lowest percentages of poor children. The data offer a unique look at which students are getting shortchanged.

These findings come at a crucial time. Across the nation – in school districts, state houses, and the nation's capital – educators and elected officials are placing new emphasis on closing the academic achievement gap. A growing body of research shows that additional dollars, spent on the right things, can substantially raise the achievement of poor and minority students. Despite decades of school finance litigation in many states, students in districts with the greatest challenges still receive the fewest resources.

The Education Trust calculated each district's "purchasing power" per student, based on how much money it receives from state and local taxes. In each state, the quarter of districts that have the highest child poverty rates were compared with the quarter of districts that have the lowest child poverty rates. As the table on page 3 shows, only seven states out of 49 had no funding gap. (The District of Columbia and Hawaii could not be analyzed because each is served by a single school district.)

These gaps have real consequences for the quality of education low-income children receive. In North Dakota, which has the smallest gap, the $32-per-student difference translates into $12,800 for an elementary school of 400 students, enough to pay for a part-time reading specialist or buy 1,000 new books for the school library.

At the other extreme, the $2,794-per-student gap in New York state translates into a whopping $1,117,600 for a 400-student elementary school, enough to compete with elite suburban schools for the most qualified teachers on the labor market and also provide extra instructional time for students who are behind.

The study was conducted for the Education Trust by school finance expert Greg F. Orlofsky, who analyzed a specially-constructed data base containing demographic and finance data for over 15,000 school districts in 1996-97, the latest year for which comparable data are currently available. The analysis used techniques established by leading school finance experts to create a measure that is more sophisticated and reliable than the raw figures included in many other studies.

First, the methodology recognizes that federal education dollars are intended to supplement, rather than supplant, tax revenues raised from state and local sources. By analyzing revenues raised for education rather than simple expenditures, the Education Trust was able to separate out and exclude federal program funds, which federal law forbids states from using to equalize basic education funding.

Second, the study takes into account the higher cost of providing a comparable education to students who have special needs, such as poor students and students with disabilities. Similarly, it makes adjustments for the higher cost of educating students who live in places where educational supplies and services tend to be more expensive, such as large cities.

To compensate for these high-cost factors, the Education Trust adjusted raw student enrollment and revenue figures using commonly accepted weights, including a special "Cost of Education Index" developed by the U.S. Department of Education. That approach results in a more powerful measure that captures each district's actual "purchasing power" per student.

The findings are part of a larger set of new finance data that will be published in *Education Watch Online*, an interactive Web site with dozens of state-by-state education indicators to be released by the Education Trust later this spring.

But these preliminary numbers speak for themselves: While it is time to hold school systems accountable for closing the achievement gap, it also is time to make sure they have the resources to get the job done.

The Education Trust

The Education Trust was created to promote high academic achievement for all students, at all levels, kindergarten through college. While we know that all schools and colleges could better serve their students, our work focuses on the schools and colleges most often left behind in efforts to improve education: those serving low-income, Latino, African American and Native American students.

Education Trust staff work alongside policy makers, parents, education professionals, community and business leaders—in cities and towns across the country—who are trying to transform their schools and colleges into institutions that genuinely serve all students. We bring lessons from these communities back to Washington to ensure that in the national policy debate there is a strong, clear voice for what's right for students.

THE FUNDING GAP: STATE AND LOCAL REVENUES PER STUDENT

State	Gap between highest- and lowest-poverty districts	Highest-poverty districts	Lowest-poverty districts
Alabama	$742	$3,925	$4,667
Alaska	$514	$5,763	$6,277
Arizona	$387	$4,176	$4,563
Arkansas	$378	$4,108	$4,486
California	$35	$4,367	$4,402
Colorado	$580	$4,967	$5,547
Connecticut	$635	$6,255	$6,890
Delaware	-$83	$6,396	$6,313
District of Columbia	n/a	n/a	n/a
Florida	$178	$5,092	$5,270
Georgia	$148	$5,116	$5,264
Hawaii	n/a	n/a	n/a
Idaho	$227	$4,034	$4,261
Illinois	$1,939	$4,433	$6,372
Indiana	$614	$6,471	$7,085
Iowa	$456	$5,458	$5,914
Kansas	$451	$5,305	$5,756
Kentucky	-$150	$5,830	$5,680
Louisiana	$997	$3,606	$4,603
Maine	$269	$5,515	$5,784
Maryland	$701	$5,096	$5,797
Massachusetts	-$705	$5,892	$5,187
Michigan	$1,261	$5,898	$7,159
Minnesota	-$264	$6,164	$5,900
Mississippi	$331	$3,312	$3,643
Missouri	$253	$5,241	$5,494
Montana	$1,538	$4,214	$5,752
Nebraska	$318	$5,354	$5,672
Nevada	$429	$5,166	$5,595
New Hampshire	$1,006	$4,791	$5,797
New Jersey	$587	$8,325	$8,912
New Mexico	$444	$3,605	$4,049
New York	$2,794	$5,307	$8,101
North Carolina	$413	$4,464	$4,877
North Dakota	$32	$4,480	$4,512
Ohio	$667	$5,593	$6,260
Oklahoma	$66	$4,176	$4,242
Oregon	-$170	$5,238	$5,068
Pennsylvania	$1,059	$5,678	$6,737
Rhode Island	$828	$4,912	$5,740
South Carolina	$427	$4,806	$5,233
South Dakota	$367	$4,595	$4,962
Tennessee	-$138	$4,077	$3,939
Texas	$386	$4,648	$5,034
Utah	-$440	$4,225	$3,785
Vermont	$684	$7,225	$7,909
Virginia	$879	$5,103	$5,982
Washington	$99	$5,235	$5,334
West Virginia	$340	$5,260	$5,600
Wisconsin	$676	$6,021	$6,697
Wyoming	$895	$5,307	$6,202
Nation	**$1,139**	**$4,928**	**$6,067**

NOTE: Table compares revenues per student in the quarter of districts that have the highest child poverty rates with revenues per student in the quarter of districts that have the lowest child poverty rates. Dollar figures have been adjusted to reflect student needs and geographic cost differences. The national figures are not simple averages of the respective state figures, but rather the results of the same analysis across all districts in the United States taken as a whole.

Source: The Education Trust. Analysis by Greg F. Orlofsky based on 1996-97 U.S. Department of Education and U.S. Census Bureau data.